

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X
MONIQUE MILLER FONG, On Behalf of Herself :
And All Others Similarly Situated, :
 : Civil Action No. 08-cv-6282
 :
Plaintiff, :
 :
 :
 :
vs. :
 :
 :
LEHMAN BROTHERS HOLDINGS INC., :
RICHARD S. FULD, JR., MICHAEL L. :
AINSLIE, JOHN F. AKERS, ROGER S. :
BERLIND, THOMAS H. CRUIKSHANK, :
MARSHA JOHNSON EVANS, SIR :
CHRISTOPHER GENT, JERRY A. :
GRUNDHOFER, ROLAND A. HERNANDEZ, :
HENRY KAUFMAN, JOHN D. MACOMBER, :
ERIN M. CALLAN, WENDY M. UVINO, THE :
EMPLOYEE BENEFIT PLANS COMMITTEE, :
and JOHN DOES 1-10, :
 :
 :
Defendants. :
-----X

**DEFENDANTS' RESPONSE TO PLAINTIFFS RINEHART'S AND FONG'S JOINT
MOTION TO CONSOLIDATE ERISA CASES, APPOINT INTERIM CLASS CO-
COUNSEL, AND FOR ENTRY OF PRETRIAL ORDER NO. 1 AND PLAINTIFF
BUZZO'S MOTION FOR CONSOLIDATION OF RELATED ACTIONS AND FOR
APPOINTMENT OF INTERIM LEAD PLAINTIFF, INTERIM LEAD COUNSEL AND
INTERIM LIAISON COUNSEL**

Defendants Lehman Brothers Holdings, Inc. (“Lehman”), the Employee Benefit Plans Committee, Michael L. Ainslie, John F. Akers, Roger S. Berlind, Erin M. Callan, Thomas H. Cruikshank, Marsha Johnson Evans, Richard S. Fuld, Jr., Sir Christopher Gent, Jerry A. Grundhofer, Roland A. Hernandez, Henry Kaufman, John D. Macomber and Wendy M. Uvino (collectively with Lehman, “Defendants”) submit this response to (i) Plaintiffs Alex E.

Rinehart's and Monique Miller Fong's Joint Motion to Consolidate ERISA Cases, Appoint Interim Co-Counsel and For Entry of Pretrial Order No. 1, filed July 11, 2008 (the "Rinehart Motion"), and (ii) Plaintiff Jo Anne Buzzo's Motion for Consolidation of Related Actions and For Appointment of Interim Lead Plaintiff, Interim Lead Counsel and Interim Liaison Counsel, filed July 15, 2008 (the "Buzzo Motion").

Currently pending before this Court are three complaints containing similar allegations of violations of the Employee Retirement Income Security Act of 1974 ("ERISA") and seeking the same relief on behalf of the Lehman Brothers Savings Plan (the "Plan") and a class of Plan participants and beneficiaries: *Rinehart v. Lehman Brothers Holdings Inc., et al.*, No. 08-cv-5598 (filed June 20, 2008), *Fong v. Lehman Brothers Holdings Inc., et al.*, No. 08-cv-6282 (filed July 11, 2008) and *Buzzo v. Lehman Brothers Holdings Inc., et al.*, No. 08-cv-6245 (filed July 10, 2008) (collectively, the "Related ERISA Actions"). The Related ERISA Actions name largely overlapping sets of Defendants and allege that Defendants, in administering the Plan, breached their fiduciary duties owed to the Plan and its participants and beneficiaries, specifically in connection with the offering of Lehman stock as an investment option in the Plan despite the alleged risks of its exposure to investments in collateralized debt obligations and subprime mortgage backed securities. Also pending before this Court is *Operative Plasterers and Cement Masons Int'l Ass'n Local 262 Annuity Fund v. Lehman Bros. Holdings, Inc., et al.*, No. 08-cv-5523 (filed June 18, 2008) (the "Securities Action"). The Securities Action alleges that Lehman and certain individuals violated the securities laws in connection with alleged misrepresentations and omissions concerning the company's exposure to the same collateralized debt obligations and subprime mortgage backed securities at issue in the Related ERISA Actions.

Defendants concur with Plaintiffs' motions to consolidate the Related ERISA Actions pursuant to Fed. R. Civ. P. 42(a). Consolidation of these actions would avoid unnecessary costs and delay, prevent a waste of judicial resources and eliminate the risk of inconsistent judgments. Defendants take no position on the competing motions for appointment of interim lead counsel. Defendants also take no position on the Buzzo Motion's request for the appointment of Plaintiff Buzzo as interim lead plaintiff or the appointment of Sarraf Gentile LLP as interim liaison counsel.

Finally, Defendants submit that the Court should adopt an alternative preliminary schedule to that found in the Proposed Pretrial Order No. 1 submitted with the Rinehart Motion, regarding the filing of a consolidated amended complaint and any subsequent responsive pleadings or motions. On July 24, 2008, the Court entered a scheduling order in the Securities Case. We hope shortly to submit for this Court's consideration a stipulation agreed to by the parties for a preliminary schedule in the Related ERISA Actions that would have the consolidated amended complaints in the Related ERISA Actions and the Securities Action and the motion to dismiss briefing schedule run contemporaneously.

Dated: July 25, 2008
New York, New York

SIMPSON THACHER & BARTLETT LLP

By: /s/ Jonathan K. Youngwood
Michael J. Chepiga
Jonathan K. Youngwood
425 Lexington Avenue
New York, New York 10017-3954
Telephone: (212) 455-2000
Facsimile: (212) 455-2502

Attorneys for Defendants